

RECORD OF PROCEEDINGS

MINUTES OF THE BOARD OF WATER COMMISSIONERS

Open Session

January 12, 2005

A duly called Regular Meeting of the Board of Water Commissioners was held Wednesday, January 12, 2005 beginning at 9:26 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. Members of the Board present during the Regular Meeting were:

William R. Roberts, President
George B. Beardsley, First Vice President
Thomas A. Gougeon, Vice President

Board employees and others present during portions of the Meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
E. V. Gardener, *Acting* Director of Public Affairs
B. D. Good, Director of Operations & Maintenance
M. Leister, *Acting* Director of Engineering
C. Elam-Floyd, Manager of Human Resources
S. Duncan, Intergovernmental Affairs Coordinator
G. T. Malmberg, Sales Administrator
S. Renouf, Community Affairs Specialist
C. R. Dermody, Manager of Information Technology
M. L. Walker, Attorney
M. D. Waage, Water Resource Engineer
M. Medellin, Planner
D. L. Marquez, Human Resource Specialist
D. B. Engleman, Human Resource Specialist
D. Wyman, Engineering Specialist
G. C. Fisher, Rate Analyst
R. G. Steger, Water Resource Engineer
N. F. Sperandeo, Recreation Manager
K. A. Pollock, Superintendent of Water Treatment
J. C. Fisher, Engineering Manager

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J. Earle, Denver Water Consultant
H. C. Teigen, Chief of Distribution and Property Management
K. K. Riegle, Attorney
J. Buerkle, Purchasing Agent
Roberta Simonton, Citizens' Advisory Committee
Esther Kettering, Fuller and Company
Don Kortz, Fuller and Company
R.C. Myles, Fuller and Company
Nancy Hibbert, Hibbert Consulting Group

Media

Jerd Smith, Rocky Mountain News

Commissioner Roberts called the meeting to order.

Upon motion regularly made, seconded and unanimously carried, Commissioners Kirk and Maes were found to be absent for substantial cause and were excused.

Upon motion regularly made, seconded and unanimously carried, the reading of the Minutes of the Regular Meeting of December 22, 2004 was dispensed with and such Minutes were approved.

Upon motion regularly made, seconded and unanimously carried, the Minutes of the Executive Session of December 22, 2004 were approved.

Commissioner Roberts invited members of the public to comment to the Board on any matters not included in the agenda for the meeting. There was no response.

CEREMONY

Mr. Barry explained that Jane Fisher was leaving Denver Water to work for a private consultant and was being presented to the Board because of her involvement over the past 7-1/2 years in the rehabilitation of the Marston and Moffat Treatment Plants and the construction of the Recycle Plant. Mr. Leister then outlined some of the contributions which Ms. Fisher had made to Denver Water. Ms. Fisher thanked the Board and staff for the opportunity to work on Denver Water's projects and commented that the contract for the construction of the Recycle Plant provided many

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benefits to Denver Water. On behalf of the Board, Commissioner Roberts thanked Ms. Fisher for her contributions, and commented regarding the unique qualities she brought to Denver Water.

Upon motion regularly made, seconded and unanimously carried by the Commissioners then present, unless otherwise noted, the Board acted upon the following agenda items:

1. **ITEM V-D-1: CONSULTANT AGREEMENT WITH CHUCK LEWIS, INC.**
Approved entering into an agreement with Chuck Lewis, Inc. to provide described assistance to Denver Water employees through December 31, 2005, at the per-hour charge set forth in the Agreement, and a total amount not to exceed \$60,000, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "A."
2. **ITEM V-D-2: RATIFICATION OF AWARD FOR CONDUIT NOS. 74 AND 93 VALVE VAULT REPLACEMENTS AND 64TH AVE. PUMP STATION AND RESERVOIR RECYCLED WATER LINE EXTENSION**
Ratified award of a contract to A.U.I., Inc. for Conduit Nos. 74 and 93 valve vault replacements and installation of a 6-inch main and flow control valve from the recycled water system to the 64th Avenue Reservoir and Pump Station, for a total contract amount not to exceed \$299,260, which work is necessary for elimination of the potable water flushing operations at Denver International Airport.
3. **ITEM V-D-3: CONSULTING AND BROKERAGE SERVICES AGREEMENT -- FEHRINGER RANCH PROPERTY**
At the request of Commissioner Beardsley, this matter was postponed for discussion in Executive Session. The Board reconvened following the Executive Session to take up consideration of the proposed agreement.
4. **ITEM V-D-4: AMENDMENTS TO CONTRACTS FOR PREPARATION OF PROJECT INFORMATION IN SUPPORT OF THE MOFFAT COLLECTION SYSTEM PROJECT EIS**
Authorized the Fifth Amendment to the August 22, 2003 Agreement with URS Corporation to increase the amount of the contract by \$20,030, for a total Phase II cost not to exceed \$507,185, and approved a contract extension to February 25, 2005, all as more particularly described in the Fifth Amendment,

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a copy of which is attached to and incorporated in these Minutes as Exhibit "B."

Authorized the Fifth Amendment to the Agreement with MWH Americas, Inc. amending the August 22, 2003 Agreement to modify the scope of work, and reducing the amount of the contract by \$20,186, for a total Phase II cost not to exceed \$717,995, and approved a contract extension to February 25, 2005, all as more particularly described in the Fifth Amendment, a copy of which is attached to and incorporated in these Minutes as Exhibit "C."

5. **ITEM V-D-5: AGREEMENT WITH METRO WASTEWATER RECLAMATION DISTRICT**

Approved entering into a 50-year operational agreement with the Metro Wastewater Reclamation District to provide operational protocols for pumping water from Metro, authorizing easements for Denver Water's facilities and providing for treatment of recycling plant solids through 2008, all as more particularly described in the Agreement, a copy of which is attached to and incorporated in these Minutes as Exhibit "D."

Mr. Good explained the need for the agreement. Discussions regarding the most economical method of handling the solids created at the Board's Recycling Plant and the long-term cost of treatment of such solids have not concluded. Metro Wastewater has agreed to treat the solids through 2008 while additional investigations and discussions take place. Denver Water staff and consultants are reviewing alternative operations including construction of drying facilities on the Recycling Plant property.

6. **ITEM V-E-1: HUMAN RESOURCE CHANGES**

Approved the human resource changes set forth in Agenda Item V-E-1 dated January 12, 2005, a copy of which is attached to and incorporated in these minutes as Exhibit "E," effective the pay period ending **December 17, 2004** unless otherwise noted.

7. **ITEM V-E-2: EMPLOYEES ELIGIBLE FOR REGULAR STATUS**

The following employees were classified as regular employees of the Board, with all rights and privileges thereof, effective **February 1, 2005**, unless otherwise noted:

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Employee Name	Employment Date	Retirement Plan Participation Date Unless otherwise noted^	Division/Section
Mary Nelson	7/19/2004	7/19/2004	Sales Administration #470
Allen Nelson	8/02/2004	8/02/2004	Building Maintenance #870

8. **ITEM V-E-3: RENEWAL OF PROJECT EMPLOYEE CONTRACT**

The following Project Employee Contract was renewed:

Employee Name, ID# Title, Salary, Std Hrs.	Estimated Completion Date	Estimated Salary Cost	Division/Section, Project
Gyorgy Kereszti IT Application Developer III, \$6,555/Mo. – IT-06, step 8	July 17, 2005	\$39,330.00 (Six Months)	Information Technology #160

9. **ITEM V-F-1: CITIZENS' ADVISORY COMMITTEE APPOINTMENT**

Approved reappointment of Russell Burton as the Metro Denver Home Builders Association representative to the Citizens' Advisory Committee, for a term ending December 2007.

10. **ITEM V-F-2: DESIGNATION OF PLACES FOR POSTING NOTICES OF MEETINGS**

Designated the following as places of posting notices of meetings for 2005, pursuant to the Colorado Open Meetings Law:

1. In the glass enclosed bulletin board near the main entrance to the Administration Building at 1600 West 12th Avenue;
2. On a bulletin board near the elevators on the first floor of the City and County Building; and
3. On a bulletin board in room 451 on the fourth floor of the City and County Building.

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11. **ITEM VI-B-1: DISCUSSION AND INFORMATION: MANAGEMENT ISSUES: LEGISLATIVE MATTERS**

Ms. Duncan reported regarding anticipated "Basin of Origin" legislation in the 2005 General Assembly, and described the response that Denver Water has previously provided. Commissioner Roberts commented that he hoped the legislature would look at a reasonable solution to the state-wide water supply issues which had arisen during the recent drought, and asked Ms. Duncan to continue to provide reports to the Board regarding the possibility of development of additional storage.

12. **ITEM VI-C-1: DISCUSSION AND INFORMATION: DROUGHT/ CONSERVATION**

Mr. Waage provided the Commissioners and the public with a copy of his outline entitled "Water Supply Update, January 12, 2005". A copy of the outline is attached to and incorporated in these Minutes as Exhibit "F." Mr. Waage explained the update is based on January 1 snow pack readings which are subject to change as the winter progresses. Present estimates are that inflow to Lake Powell in 2005 should be average. Based upon projections of average inflow, it will take at least ten years to refill Lake Powell. The South Platte Basin snow pack is approximately 85% of normal, better than it has been in previous years, but still below average. The Colorado River snow pack is also better than it has been in previous years but is still below average at 91% of normal. Mr. Waage explained Denver Water's reservoirs were last full in the summer of 2000. The drought will be considered to continue until Denver Water's reservoirs return to normal storage levels. Mr. Waage then described a long-range runoff forecast and the effect of future weather on such forecasting. Current predictions are that the reservoir storage with average and wet conditions will return to near normal levels in the summer of 2005, but not if dry conditions continue.

13. **ITEM VI-F-1: DISCUSSION AND INFORMATION: STATUS OF THE INVESTMENT PORTFOLIO**

The Commissioners received the report, "Investments in the Water Works Fund as of December 31, 2004" as set forth in Agenda Item VI-F-2 dated January 12, 2005, a copy of which is attached to and incorporated in these Minutes as Exhibit "G."

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14. **ITEM VI-F-2: DISCUSSION AND INFORMATION: NEW CONTRACT SUMMARY**

The Commissioners received a Summary of New Contracts between \$10,000 and \$40,000 for the Fourth Quarter of 2004, a copy of which is attached to and incorporated in these Minutes as Exhibit "H."

15. **ITEM VI-G-1: SCHEDULING OF FUTURE BOARD MEETINGS**

The Board scheduled a study session for **Wednesday, January 26, 2005** from **9:00 a.m. to 11:00 a.m.** to discuss conservation and IRP issues. The meeting will be held in the Three Stone Buildings.

The **February** meetings will be held on **Wednesday, February 9, 2005** and **Wednesday, February 23, 2005**. The meeting on the 9th will be at 9:15 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado. The meeting on the 23rd will be a study session and the location will be announced.

At 10:30 a.m., the Board voted unanimously to adjourn into Executive Session to discuss more completely the proposed consulting and brokerage services agreement for the Board's Fehringer Ranch property, Agenda Item V-D-3. Commissioner Roberts noted the Board would reconvene the Regular Meeting after the first portion of the Executive Session was concluded.

EXECUTIVE SESSION

On Wednesday, January 12, 2005, commencing approximately at 10:30 a.m. in the Board Room, Room 309, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners met in Executive Session. The following matter which is authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 was discussed during the Executive Session:

1. Negotiations -- Consulting and Brokerage Services Agreement -- § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Executive Session concluded at approximately 10:50 a.m. and the Board reconvened the Open Session.

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RECONVENED OPEN SESSION

At approximately 10:50 a.m., on Wednesday, January 12, 2005 in the Board Room, Room 309, 1600 W. 12th Avenue, Denver, Colorado, Commissioner Roberts reconvened the regular meeting of the Board of Water Commissioners. Members of the Board present were:

William R. Roberts, President
George B. Beardsley, First Vice President
Thomas A. Gougeon, Vice President

Board employees and others present during portions of the reconvened meeting were:

H. J. Barry, Manager
P. L. Wells, General Counsel
D. B. LaFrance, Director of Finance
E. E. Pokorney, Director of Planning
E. V. Gardener, *Acting* Director of Public Affairs
B. D. Good, Director of Operations & Maintenance
M. Leister, *Acting* Director of Engineering
C. Elam-Floyd, Manager of Human Resources
C. R. Dermody, Manager of Information Technology
M. L. Walker, Attorney
D. Wyman, Engineering Specialist
N. F. Sperandeo, Recreation Manager
J. Earle, Denver Water Consultant
H. C. Teigen, Chief of Distribution and Property Management
Esther Kettering, Fuller and Company
Don Kortz, Fuller and Company
R.C. Myles, Fuller and Company
Nancy Hibbert, Hibbert Consulting Group

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16. **ITEM V-D-3: CONSULTING AND BROKERAGE SERVICES
AGREEMENT – FEHRINGER RANCH PROPERTY**

Upon motion regularly made, seconded and unanimously carried, the Board approved and authorized entering into a contract with Fuller and Company to provide consultant and brokerage services for the remaining portion of the Board's Fehringer Ranch property, which services are to include defining development direction and site planning, land preparation, and land sales, at a cost to the Board not to exceed \$150,000, plus brokerage fees.

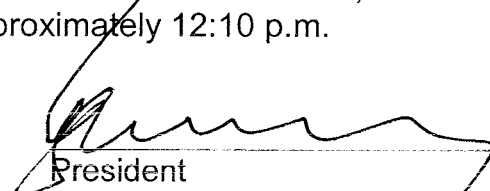
No further business appearing, the Board adjourned the Regular Meeting and reconvened Executive Session at 10:55 a.m.

RECONVENED EXECUTIVE SESSION

On Wednesday, January 12, 2005, commencing approximately at 11:00 a.m. in the Board Manager's Office, located in the Administration Building, 1600 West 12th Avenue, Denver, Colorado, the Board of Water Commissioners reconvened the Executive Session. The following matters which are authorized by C.R.S. § 24-6-402 or D.R.M.C. § 2-34 were discussed during the Reconvened Executive Session:

1. Proposal to write a Denver Water history -- C.R.S. § 24-6-402(4)(e)
2. Litigation Matters -- § 24-6-402(4)(b)
3. Negotiations -- C.R.S. § 24-6-402(4)(e)

There being nothing further for the Board to consider, the Reconvened Executive Session concluded at approximately 12:10 p.m.


Secretary
President